

MARKET SELLER DEFAULT FLEXIBILITY LIMIT MARKET PARTICIPATION

Problem / Opportunity Statement

Operating Agreement, section 15.1.5 specifies actions PJM must take in the case of a Member default. One such action is to limit buying or selling by a Market Participant in a PJM market. Under certain limited circumstances, PJM believes it may be beneficial to have limited flexibility to allow continued market participation. However, recent and ongoing events a recent event highlighted the need for PJM to have flexibility regarding limiting market participation in the case of a certain situations regarding payment, a collateral default, or other default when allowing continued market participation is more beneficial to the is in the best interest of PJM membership to allow certain revenue producing market participation, as a means to remedy a collateral call. PJM membership than limiting or prohibiting market participation.